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C O N F I D E N T I A L SECTION 01 OF 02 BUENOS AIRES 002215SIPDIS SIPDIS STATE FOR WHA TOM SHANNON, JOHN MAISTO, AND CHARLES SHAPIRO NSC FOR I

SUBJECT: LEADING CENTER-RIGHT ARGENTINE OPPOSITION LEADER MAURICIO MACRI ON KIRCHNER AND THE 2007 ELECTIONS REF: BUENOS AIRES 01901 Classified

11. (C) SUMMARY: On September 26, Charge and Poloff met with leading center-right political leader Mauricio Macri and longtime Macri associate and local businessman, Nicolas Caputo. Macri voiced his criticisms of President Nestor Kirchner's policies and spoke at length about next year's national elections. Despite his strong criticisms of Kirchner, Macri noted that the GOA's fiscal discipline was a positive change compared to past governments, and he admitted that the projected continued strength of the economy over the next year meant that Kirchner would likely win reelection. Although Macri felt it would be difficult to beat Kirchner in 2007, he was optimistic about the long-term prospects of his Republican Proposal (PRO) political alliance. Macri said he was still undecided on which office he would run for in the 2007 elections. Although he did not rule out an eventual alliance with former Economy Minister Roberto Lavagna, he felt that he and Lavagna had little in common. END SUMMARY.

12. (C) On September 26, Charge and Poloff met with leading center-right political leader Mauricio Macri and longtime Macri associate and local businessman, Nicolas Caputo. Macri spoke at length about his views of President Nestor Kirchner and next year's national elections. Macri was critical of Kirchner's policies, particularly in the foreign and economic policy areas. "Argentina is not getting the investment it needs, especially in the energy sector. Kirchner thinks he can go to New York, ring the bell at the Stock Exchange, and tell investors 'we didn't fulfill our promises before, but now you can trust us.' It will take a lot harder work than that to bring investors back to Argentina. Kirchner is constantly creating conflicts abroad, with our regional neighbors, at Mar del Plata, but the Argentine people do not realize how damaging this is because the government is very good at controlling the media." 3. (C) Despite his strong criticisms of Kirchner, Macri noted that the GOA's fiscal discipline was a positive projected continued strength of the economy over the next year meant that Kirchner would likely win reelection. "Kirchner understands that money equals political power, so he has put an emphasis on maintaining a surplus. For the first time in recent memory, Argentina doesn't have to worry about being able to pay its bills." Macri noted that although surprises were always possible, particularly with the crime issue, he did not foresee Kirchner having difficulty winning reelection in 2007. 4. (C) Although Macri felt it would be difficult to beat Kirchner in 2007, he was optimistic about the 1 alliance. He predicted that the economy would start to decline in 2008. Macri said PRO was working to prepare its leaders to assume office in 2011. "We are the first truly pro-market, pro-business political force in nearly 80 years of Argentine history that is ready to assume power." Macri said that his foundation, Fundacion Creer y Crecer (Belief and Growth Foundation), is working with the German Konrad Adenauer Foundation and the U.S. International Republican Institute in a leadership development program. Nicolas Caputo said that many in the Foundation were getting restless, noting that the short-term focus of Argentine politics made it difficult to convince the Foundation staff to work for the long-term when Macri's plans for 2007 were still undefined. 5. (C) Macri said his plans for 2007 were still undecided, and although he did not rule out an eventual alliance with former Economy Minister Roberto Lavagna, he felt that he and Lavagna had little in common. Macri said he would not define his electoral plans until at least the end of the year, noting that Kirchner himself has not yet announced his BUENOS AIR 00002215 002 OF 002 candidacy. Macri said that his supporters are sharply Mayor of Buenos Aires and those who want him to run for President. Macri said that both options presented risks. Macri would face a difficult race in the city against potential Kirchner candidates like Vice President Daniel Scioli and current Mayor Jorge Telerman. Macri would almost certainly lose a presidential race to Kirchner, but a good second place showing, Macri argued, could provide a political base for the future. Asked about an alliance with Lavagna, Macri quoted his PRO ally Ricardo Lopez Murphy, "Lavagna is a better mannered, more tolerant Kirchner. I do not see much difference between him and Kirchner. Moreover, I do not think we have much in common with those that are around Lavagna, like (former Presidents) Alfonsin and Duhalde." However, he said that he did not discard the possibility of an eventual accord between him and Lavagna. Asked about Lopez Murphy, Macri said his alliance with him was strong, but noted that Lopez Murphy can sometimes be "rigid" in his thinking, which made discussions on potential political alliances difficult. 6. (C) COMMENT: Mauricio Macri is currently the leading center-right opposition leader in Argentina. He is one of the only opposition leaders who can compete toe-to-toe with Kirchner's potential candidates in a key electoral district, or make a potentially strong second place showing in a presidential contest with Kirchner himself. Macri is young enough and has sufficient personal resources to enable him to compete for the long term. As 2007 is likely to be a difficult year for the opposition in Argentina, opposition leaders will need to have this type of long-term vision to build for the future. END COMMENT. MATERA